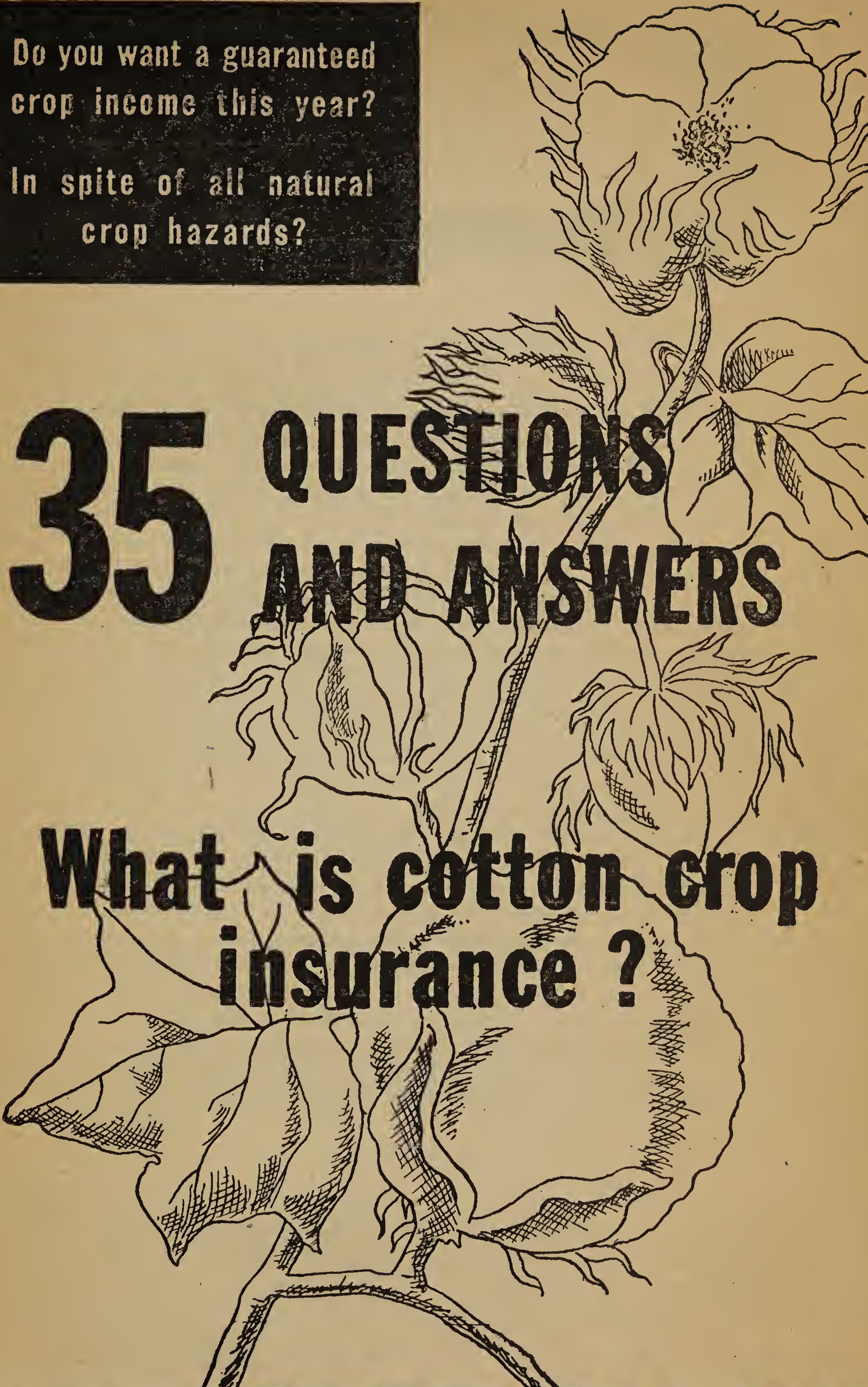
Do you want a guaranteed crop income this year?

In spite of all natural crop hazards?

35 QUESTIONS AND ANSWERS

What is cotton crop insurance?



Federal Crop Insurance Suggests
You See Your County AAA Committee

CROP INSURANCE, covering 75 percent of a farmer's average yield, might be more protection than he needs. But the cost of 50 percent protection is so low no farmer can afford to be without it.

FOREWORD

Financial security is the goal of every cotton farmer—a desire to own and to hold a home on fertile acres. This isn't ever easy, for cotton growing at best is hazardous. According to reliable estimates, cotton farmers lose an average of three to five hundred million dollars annually in crop failures, due largely to conditions beyond their control. The 1941 crop, for instance, was reduced one-third by drought, excessive rainfall, plant diseases, and insects.

As a result of crop hazards beyond control of the grower, experienced farmers have lost their farms, their homes, and means of earning a livelihood, many of them facing an uncertain future without funds to finance another crop.

Federal cotton crop insurance helps to remove this gamble in cotton production, for it guarantees the insured grower three-fourths or, if he prefers, one-half of his average yield, protecting his investment and crop income from the day his seed is planted until the crop is harvested and hauled to the gin.

Insurance does not prevent losses, but it does guarantee a yield so you won't hit bottom when crops fail. We buy it because we fear we may have a loss and want something to fall back on when that occurs. By so doing, we remove fear of failure and debt, while providing funds to finance next year's crop. The cost is only the amount necessary to pay losses that occur. The Corporation makes no profit. The cost of administration, paid by the Federal Government, is not included in the premium.

Every cotton farmer should seriously consider whether he can afford to be without the guarantee of a cotton crop income. If his crop fails, the insured grower is safe. If his crop is good, his premium payment becomes a part of a reserve to pay losses when his crop is destroyed or damaged.

On the pages that follow we have endeavored to tell the story of crop insurance and how it works for the farmer. Read the questions and answers carefully, then visit your AAA office, where an application can be signed or more information secured.

J. Carl Wright

Assistant Manager
Federal Crop Insurance Corporation

> "AS LONG AS I have Federal Crop Insurance, I can't go broke, nor will I leave debts that my wife and family can't pay," said an insured cotton farmer.

1. QUESTION: What is all-risk cotton crop insurance?

   ANSWER: It is protection against losses in yields from practically all UNAVOIDABLE HAZARDS to both lint cotton and cottonseed. It provides a means by which a farmer sets aside a small portion of his crop each year as premiums, to be paid back to him as indemnities in years when his crop fails.

2. Q. What are unavoidable hazards?

   A. Crop hazards which the grower cannot control. These include drought, excessive moisture, flood, hail, storms, lightning, frost, tornado, fire, wind, and insofar as they are uncontrollable, damage from insects, plant diseases, and animal pests. Crop insurance also protects against some hazards caused directly by war conditions.

3. Q. Who writes cotton crop insurance?

   A. The Federal Crop Insurance Corporation—an agency of the U. S. Department of Agriculture—through its field representatives, which are the state, county, and community Triple-A committees.

4. Q. Where can crop insurance be obtained?

   A. From the county and community Triple-A committees or their representative.

5. Q. When must a grower apply for insurance?

   A. He must sign an application BEFORE he begins planting his cotton crop and BEFORE the closing date established for his county. He cannot obtain insurance after he plants or after the closing date shown on pages 10 and 11 of this leaflet.

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COTTON CAN promise more and make less, and promise less and make more, than any other crop. In either event, Federal Crop Insurance can absorb most of the risk.

6. Q. When does the insurance contract go into effect?

A. It becomes effective when the grower has signed an application and planted his seed, and continues in effect until his seed cotton gets to the gin, or until January 31, 1944, unless that date is extended by the Corporation.

7. Q. Who can insure a cotton crop?

A. Any person who is to have an interest in a cotton crop as landowner, tenant, or sharecropper at the beginning of planting of the crop. No person can insure another person's interest in a crop.

8. Q. If a grower has two farms, does he have to submit two applications?

A. No. His application covers all the cotton acreage in the county in which he has or is to have an interest at the beginning of planting.

9. Q. If a landlord, tenant, or sharecropper insures his portion of the crop, must the other also insure?

A. No. Each person may insure only his own interest in the crop.

10. Q. Can a farmer use his crop insurance contract as security for a current loan?

A. Yes. Banks and other lending agencies usually consider the contract satisfactory collateral for loans when cash is needed.

11. Q. Can a farmer sell his insured cotton crop before picking?

A. Yes, and if the crop is sold before picking is started, the insurance would automatically be transferred to the buyer along with the crop.

IF YOU HAVEN'T had a crop failure for several years, you are just that much nearer to one. Don't wait for your Triple-A committeeman to call on you about crop insurance. See him now.

12. Q. Must a grower take out insurance on his cotton crop every year?

A. No. Crop insurance is voluntary and in the cotton insurance program the grower signs a one-year application. However, for his own protection he should insure his crop every year. By doing so, he assures himself cotton to sell every year. He must insure every year, however, to be eligible for the benefit of the reduced premium plan.

13. Q. What is the reduced premium plan?

A. It is a plan under which a grower's premium will be reduced as much as 50 percent when the amount paid in as premiums over a continuous period of years equals or exceeds the amount required to pay one total loss.

14. Q. How much insurance protection per acre can a farmer get?

A. He can get insurance of either 75 percent or 50 percent (whichever he elects) of the average yield for his farm. This is called the lint cotton insurance per acre. He also gets additional protection against loss of cottonseed.

15. Q. On what is the average yield based?

A. It is based on the actual yield record for the farm (subject to such adjustment as is necessary that the average for all farms in the county is in line with the average county yield record for a representative period of years).

16. Q. How much does it cost to insure a crop?

A. A premium rate is established for each farm which represents the expected average loss on the farm and is based partly on the loss experience for the farm and partly on the loss experience for all farms in the county.

> "THE PEACE OF MIND I got during one night when disaster threatened was worth my entire premium if I NEVER have a crop loss," was one grower's comment about crop insurance.

17. Q. Why is there a difference in premium rates between farms?

A. Because losses have occurred more often on some farms than on others and because the amount of insurance protection per acre differs. One of the principles of crop insurance is that each farm should pay a premium that will be sufficient to pay the losses that occur on that farm over a period of years.

18. Q. Are the premiums increased in the low-risk areas in order to pay losses that occur in the high-risk areas?

A. No. The premium rates for each county are designed to provide sufficient premiums to pay the losses that occur in that county over a representative period of years.

19. Q. Why is the 1943 average yield and rate for a farm different than it was in 1942?

A. Yield and loss experience for an additional year (1941) has been used and certain changes have been made in the methods of computation.

20. Q. Can a grower ask for an adjustment in his lint cotton insurance per acre, his premium rate, or both?

A. Yes. If he thinks a mistake has been made, he can appeal to his county Triple-A committee within 15 days from the date of notification of his lint insurance per acre and his premium rate.

21. Q. Are any of the premiums collected from farmers used to pay the cost of administering the program?

A. No. Premiums are figured to cover only the losses that are expected to occur. The expenses of administration are paid by the Federal Government. The protection, therefore, is provided "at cost."

WAR CONDITIONS are an added hazard to cotton production. Crop insurance protects you if it is IMPOSSIBLE to get necessary help, fertilizer, insect poisons, and other farming essentials.

22. Q. On what basis are premiums and indemnities figured?

A. They are figured in pounds of lint cotton of the grade and staple length specified by the insured within limits set by the Corporation. The insured usually specifies the grade and staple he customarily produces. Both his premium and his indemnity, if any, will be figured in pounds of lint cotton of the grade and staple specified. Although premiums and indemnities are figured in cotton, they are usually paid in the cash equivalent.

23. Q. What is the cash equivalent price per pound?

A. It is the net price per pound of lint cotton established by the Corporation for the area in which the farming unit is located and based on the price of lint cotton at the applicable spot market.

24. Q. How are premiums paid?

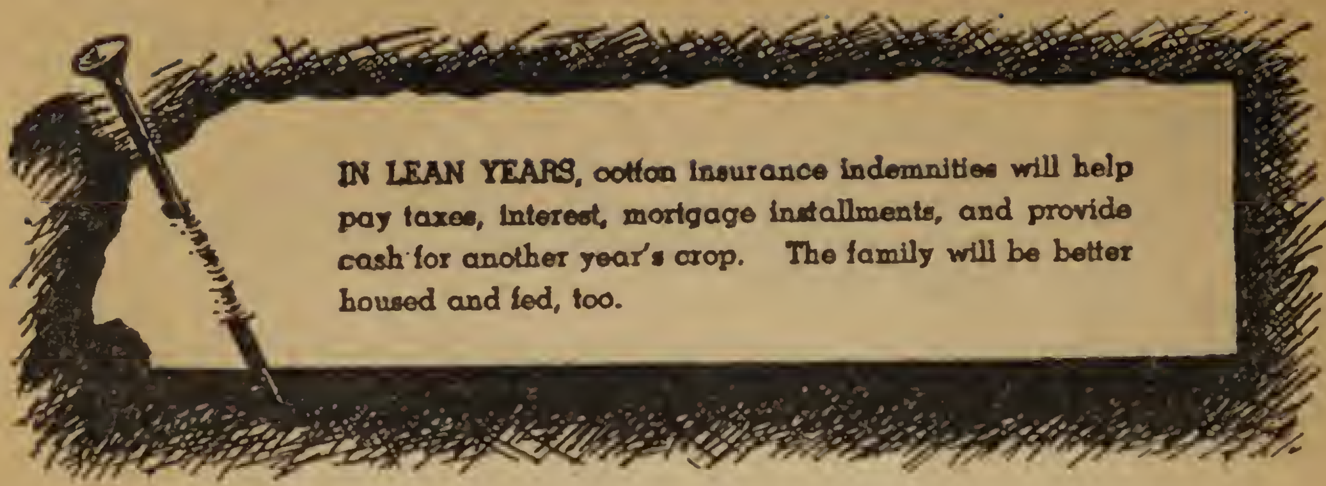
A. The grower signs a non-interest-bearing note when he signs his insurance application. This note is an agreement to pay the Corporation the amount of the premium in cotton or its cash equivalent. The premium is earned when the crop is planted. The amount of the note is determined after the acreage is determined.

25. Q. When is the premium note due?

A. The note will be due about cotton-picking time. However, any unpaid amount on such note may be deducted either before or after maturity from any crop insurance indemnity, ACP payment, or commodity loan.

26. Q. How are notes usually paid?

A. Payments are made by cash or may be deducted from the proceeds of commodity loans, or from farm program payments to the insured, or from any indemnity under the crop insurance contract.



27. Q. Will the insurance be cancelled if payment is not made when the note matures?

A. No. The premium has been earned and the note is due.

28. Q. How is the insured production figured?

A. By multiplying the lint cotton insurance per acre by the insured acreage and by the insured's interest in the crop.

29. Q. How is the amount of loss on lint cotton figured?

A. If the loss results from causes insured against, it is the amount by which the insured's share of the crop produced is less than his insured production.

30. Q. Is the insured grower protected against loss of cottonseed?

A. Yes. Any indemnity figured for loss of lint cotton is increased by 20 percent to cover loss of cottonseed.

31. Q. Will crop insurance cover losses caused by avoidable hazards?

A. No. Indemnities will not be paid for losses that result from avoidable hazards such as use of poor or defective seed, failure to properly care for or harvest the crop (this includes poisoning for insects where it is customary to do so), failure to irrigate when insurance is written on an irrigated basis, or failure to make reasonable effort to obtain fertilizer, labor, or other essentials of which there may be a shortage due to war conditions.

32. Q. What is the insured required to do if he has a crop loss?

A. When a loss occurs or appears likely to occur, the insured is required to notify his county AAA committee in writing.

MOST BANKS and lending agencies accept an all-risk crop insurance contract as collateral for loans during the growing and harvesting season. Such loans often are essential.

33. Q. If the insured farmer loses his crop early in the season, will he be expected to replant the cotton?

A. Yes, under circumstances where it is customary to replant and in accordance with good farming practices.

34. Q. If an insured farmer loses his crop early in the season, and it is too late to replant to cotton, will he be permitted to plant the land to another crop?

A. Yes, provided he FIRST notifies the county committee of the loss and gets a WRITTEN release of the acreage from the committee.

35. Q. How are losses adjusted? How are they paid?

A. An adjuster is appointed by the county committee to work with the insured in determining the amount of loss. Approved losses are paid by issuing to the insured a certificate showing the number of pounds of lint cotton due him as an indemnity. This certificate may be used to obtain the indemnity in cash from the Federal Crop Insurance Corporation, or it may be used to obtain a commodity loan, if available, from the Commodity Credit Corporation.

"I'LL TELL the world" said a Georgia farmer, "this is the first time in 68 years I've been able to go to the gin in an empty wagon and still sell cotton. Crop insurance made this possible."

CLOSING DATES FOR COTTON CROP INSURANCE

1943 PROGRAM

(Find your own county in this list)

ALABAMA.—April 1 for the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Etowah, Fayette, Franklin, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Pickens, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston.

March 15 for all other counties in the State.

ARIZONA.—March 15 for American Upland. March 1 for American Egyptian for all counties.

ARKANSAS.—April 1 for all counties.

CALIFORNIA.—December 31, 1942, for Tulare Lake area of Kings County.

March 15 for remainder of Kings County and all other counties of the State.

FLORIDA.—March 15 for all counties.

GEORGIA.—April 1 for the counties of Baldwin, Banks, Barrow, Bartow, Butts, Carroll, Catoosa, Chattooga, Cherokee, Clarke, Clayton, Cobb, Columbia, Coweta, Dade, Dawson, De Kalb, Douglas, Elbert, Fannin, Fayette, Floyd, Forsyth, Franklin, Fulton, Gilmer, Glascock, Gordon, Greene, Gwinnett, Habersham, Hall, Hancock, Haralson, Hart, Heard, Henry, Jackson, Jasper, Jones, Lamar, Lincoln, Lumpkin, McDuffie, Madison, Meriwether, Monroe, Morgan, Murray, Newton, Oconee, Oglethorpe, Paulding, Pickens, Pike, Polk, Putnam, Rabun, Richmond, Rockdale, Spalding, Stephens, Taliaferro, Towns, Troup, Union, Walker, Walton, Warren, White, Whitfield, and Wilkes.

March 15, for all other counties in the State.

ILLINOIS.—April 15 for all counties.

KANSAS.—April 15 for all counties.

KENTUCKY.—April 15 for all counties.

LOUISIANA.—March 15 for all counties.

MISSISSIPPI.—April 1 for the counties of Alcorn, Attala, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Clay, Coahoma, De Soto, Grenada, Holmes, Humphreys, Itawamba, Lafayette, Lee, Leflore, Lowndes, Marshall, Monroe, Montgomery, Noxubee, Oktibbeha, Panola, Pontotoc, Prentiss, Quitman, Sunflower, Tallahatchie, Tate, Tippah, Tishomingo, Tunica, Union, Washington, Webster, Winston, and Yalobusha.

March 15 for all other counties in the State.

MISSOURI.—April 15 for all counties.

NEW MEXICO.—April 15 for the counties of Curry, Harding, Lea, Quay, and Roosevelt.

March 15 for all other counties in the State.

NORTH CAROLINA.—April 1 for all counties.

THE FARMER IS no Joshua. He can't make the sun stand still, but, if insured, he can beat hail and high water, bugs and drought, plant disease, and other hazards.

OKLAHOMA.—April 1 for the counties of Adair, Atoka, Bryan, Carter, Cherokee, Choctaw, Coal, Haskell, Hughes, Johnston, Latimer, Le Flore, Love, McCurtain, McIntosh, Marshall, Murray, Muskogee, Okfuskee, Okmulgee, Pittsburg, Pontotoc, Pushmataha, Seminole, and Sequoyah.

April 15 for all other counties in the State.

SOUTH CAROLINA.—March 15 for the counties of Allendale, Bamberg, Barnwell, Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, and Jasper.

April 1 for all other counties in the State.

TENNESSEE.—April 1 for all counties.

TEXAS.—February 15 for the counties of Cameron, Hidalgo, Starr, and Willacy.

March 1 for the counties of Aransas, Atascosa, Austin, Bee, Brazoria, Brooks, Calhoun, Colorado, De Witt, Duval, Fayette, Fort Bend, Frio, Galveston, Goliad, Gonzales, Harris, Jackson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kleberg, La Salle, Lavaca, Live Oak, McMullen, Matagorda, Maverick, Nueces, Refugio, San Patricio, Victoria, Waller, Webb, Wharton, Wilson, Zapata, and Zavala.

March 15 for the counties of Anderson, Angelina, Bastrop, Bell, Bexar, Blanco, Bosque, Brazos, Brewster, Burleson, Burnet, Caldwell, Chambers, Cherokee, Comal, Coryell, El Paso, Falls, Freestone, Gillespie, Grimes, Guadalupe, Hamilton, Hardin, Hays, Houston, Hudspeth, Irion, Jasper, Jefferson, Kendall, Kerr, Kimble, Lampasas, Lee, Leon, Liberty, Limestone, Llano, McLennan, Madison, Mason, Medina, Milam, Montgomery, Nacogdoches, Newton, Orange, Panola, Pecos, Polk, Presidio, Reeves, Robertson, Rusk, Sabine, San Augustine, San Jacinto, Schleicher, Shelby, Travis, Trinity, Tyler, Uvalde, Walker, Ward, Washington, and Williamson.

April 1 for the counties of Andrews, Borden, Bowie, Brown, Callahan, Camp, Cass, Coke, Coleman, Collin, Comanche, Concho, Cooke, Dallas, Dawson, Delta, Denton, Eastland, Ellis, Erath, Fannin, Fisher, Franklin, Gaines, Glasscock, Grayson, Gregg, Harrison, Henderson, Hill, Hood, Hopkins, Howard, Hunt, Johnson, Jones, Kaufman, Lamar, Marion, Martin, McCulloch, Menard, Midland, Mills, Mitchell, Morris, Navarro, Nolan, Palo Pinto, Parker, Rains, Red River, Rockwall, Runnels, San Saba, Scurry, Shackelford, Smith, Somervell, Stephens, Sterling, Tarrant, Taylor, Titus, Tom Green, Upshur, Van Zandt, and Wood.

April 15 for the counties of Archer, Armstrong, Bailey, Baylor, Briscoe, Carson, Castro, Childress, Clay, Cochran, Collingsworth, Cottle, Crosby, Deaf Smith, Dickens, Donley, Floyd, Foard, Garza, Gray, Hale, Hall, Hardeman, Haskell, Hemphill, Hockley, Jack, Kent, King, Knox, Lamb, Lipscomb, Lubbock, Lynn, Montague, Motley, Parmer, Randall, Stonewall, Swisher, Terry, Throckmorton, Wheeler, Wichita, Wilbarger, Wise, Yoakum, and Young.

VIRGINIA.—April 1 for all countries.

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FEDERAL CROP INSURANCE CORPORATION
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OFFICIAL BUSINESS